



STATE MINING & GEOLOGY BOARD
DEPARTMENT OF CONSERVATION
STATE OF CALIFORNIA



Publication Date: February 23, 2005

RESULTS OF PUBLIC MEETING / HEARING

THE STATE MINING AND GEOLOGY BOARD

Will hold a Regular Business Meeting on:

MARCH 10, 2005

8:30 A. M.

**Joe Serna Jr. Cal/EPA Headquarters Building
Sierra Hearing Room
1001 "I" Street
Sacramento, California**

AGENDA

For questions regarding this Agenda, please contact the SMGB office by telephone at (916) 322-1082, or by facsimile at (916) 445-0738. This Notice and associated staff reports can be accessed electronically at the SMGB's Internet web site at: <http://www.consrv.ca.gov/smgb/> (note: Agenda reports should be available electronically approximately one week prior to the scheduled meeting/hearing date).

The SMGB requests that all lengthy comments be submitted in writing in advance of the meeting date. To ensure that the SMGB has the opportunity to fully preview written material, comments should be received in the SMGB office no later than 15 days prior to the scheduled meeting date, and must indicate the Agenda Item to which it relates. For written material in excess of two pages, or that contain large maps, photos, fold-outs, or other documents requiring special handling, please submit 12 copies. The SMGB will not reproduce these types of documents. Comments on Agenda Items will be accepted by electronic mail, and are subject to the same conditions set forth for other written submissions.

Individuals are responsible for presenting their own projects at the meeting.

[NOTE: Times are approximate. The chairman may alter the hearing start time or agenda item order during the meeting]

- I. Call to Order (Jones)**
- II. Roll Call and Declaration of a Quorum**

Time Approximate: 8:35 A. M. --

III. Executive Session (Closed to the Public) [Possible Action]

[The Board will discuss personnel matters at this session. This session is being held under Government Code §11126]. Items to be discussed:

- 1 Personnel interviews for the position of State Geologist, in the Department of Conservation. Final filing date with the Department was January 28, 2005.

Time Approximate: 1:30 P. M. – The SMGB Will Reopen the Regular Business Session and Announce the Results of the Executive Session

[Note: The SMGB will commence its Regular Business Session immediately following the Executive Session, which may be earlier than the 1:30 P. M. time]

INTERVIEWS CONDUCTED

IV. Director's Report (Sareeram, Department of Conservation) [Information]

V. Chairman's Report (Jones) [Information]

- = Recognition of Distinguished Service for Board Member Julian C. Isham

VI. Executive Officer's Report (Parrish) [Information]

VII. Ex-Parte Communication Disclosure [Information]

[Board Members will identify any discussions they may have had requiring disclosure pursuant to Public Resources Code Sections 663.1 and 663.2]

VIII. Good of the Meeting [Information]

[This time is scheduled to provide the public with an opportunity to address non-agenda items. Those wishing to speak should do so at this time. All persons wishing to address the SMGB should fill out a speaker card and present it to the Secretary so that the Chair can determine the number of persons who wish to speak. Speakers are limited to three minutes except by special consent of the Chairman]

IX. Consent Items [Action]

[All the items appearing under this section will be acted upon by the SMGB by one motion and without discussion; however, any Board member wishing to discuss a particular item may request the Chairman to remove the item from the Consent Calendar and consider it separately under Continued Business or New Business]

1. Approval of [Minutes](#), February 10, 2005 Regular Business Meeting

APPROVED

X. Continued Business Items [Action]

[These business items have been continued from a previous meeting/hearing]



XI. New Business [Action]

2. Acceptance of the California Geological Survey Special Report 175, Mineral Land Classification of Aggregate Materials in Sonoma County, California, as Being Prepared in Accordance with the Mineral Classification and Designation Guidelines.

STAFF REPORT
REPORT ACCEPTED

3. Acceptance of the Annual Fee Schedule for Mines Subject to the Surface Mining and Reclamation Act (SMARA; Public Resources Code Section 2710 et seq.) Pursuant to Public Resources Code §2207.

STAFF REPORT FEE SCHEDULE
ACCEPTED AS REVISED

4. Issuance of an Order to Comply to Al Bankus, Whitewater Rock & Supply Company, Operator of the Painted Hills Mine (aka Super Creek Mine), CA Mine ID # 91-33-0003, City of Hot Springs, to Correct Violations of the Surface Mining and Reclamation Act (Public Resources Code Section 2710 et seq.) and the Approved Reclamation Plan.

STAFF REPORT
ORDER NOT ISSUED

5. **Public Hearing** of an Order to Comply issued on January 13, 2005 to Carl J. Woods, Carl J. Woods Construction Company, for its Sperbeck Mine, CA Mine ID #91-58-0004, Yuba County, to Correct Violations of the Surface Mining and Reclamation Act (Public Resources Code Section 2710 et seq.) and the Approved Reclamation Plan.

STAFF REPORT
ORDER UPHeld

6. **Public Hearing:** Pursuant to Public Resources Code Section 2696(b) and Title 14, California Code of Regulations Section 3723(a), a hearing will be conducted to receive comments and recommendations regarding the Preliminary Seismic Hazard Maps specific to the areas encompassed in the Yorba Linda Quadrangle (Los Angeles County, Orange County, San Bernardino County), the Castle Rock Ridge Quadrangle (Santa Clara County only), and the Mindego Hill Quadrangle (Santa Clara and San Mateo counties).

STAFF REPORT

XII. Special Reports and Department Presentations [Information]

[Based on these Reports, the Chair may instruct the SMGB staff to initiate administrative actions]



XIII. SMGB Committee Reports [Information]

XIV. Executive Session (Closed to the Public) [Possible Action]

[The Board will discuss information from its legal counsel on pending litigation and may take appropriate actions based on this information. This session is being held under Government Code §11126]. Items to be discussed:

- a). Brunius vs. SMGB, Case # PC 20010449, El Dorado County Superior Court
- b). Koponen v. SMGB et al., Case #04CS00696, Sacramento Superior Court
- c). Westly v. Sierra Terra, Case #03AM09525, Sacramento Superior Court
- d). An un-named case where there is potentially significant exposure to litigation against the Board.

Reopen Regular Business Session, Announce Results of Executive Session
NO ACTIONS TAKEN

XV. Announcements of Future Meetings

XVI. Adjournment

NOTES

A. **GENERAL STATEMENT**

The Board's general authority is granted under the Public Resources Code which requires all Board members to "represent the general public interest". Board membership consists of nine individuals appointed by the Governor, and confirmed by the Senate. Each member serves for four years in staggered terms, and each must have a demonstrated specialty in either geology, seismology, mining engineering, hydrogeology, the environment, mineral resources, landscape architecture, or government.

The Board has specific responsibilities under the following acts:

Alquist-Priolo Earthquake Fault Zoning Act -- Under this Act, the Board is authorized to represent the State's interests in establishing professional practice guidelines and standards for geological investigations and reports produced by the California Geological Survey, public sector agencies, and private practitioners, and to develop specific criteria through regulations that shall be used by affected local jurisdictions in complying with the provisions of the Act so as to protect the health, safety and welfare of the public.

This Act (Public Resources Code, Chapter 7.5, §2621 through §2630) is intended to provide policies and criteria to assist cities, counties and state agencies in the exercise of their responsibilities to prohibit the location of developments and structures for human occupancy across the trace of active faults as defined by the Board. Further, it is the intent of this Act to provide the citizens of the State with increased safety and to minimize the loss of life during and immediately following earthquakes by facilitating seismic retrofitting to strengthen buildings, including historical buildings, against ground shaking.

Seismic Hazards Mapping Act -- Under this Act, the Board is authorized to provide policy and guidance through regulations for a statewide seismic hazard mapping and technical advisory program



to assist cities, counties, and state agencies in fulfilling their responsibilities for protecting the public health and safety from the effects of strong ground shaking, liquefaction or other ground failure, landslides and other seismic hazards caused by earthquakes, including tsunami and seiche threats.

The Seismic Hazards Mapping Act (Public Resources Code Chapter 7.8, §2690 through §2699.6) establishes the authority to provide programs to identify and map seismic hazard zones in the State in order for cities and counties to adequately prepare the safety element of their general plans and to encourage land use management policies and regulations to reduce and mitigate those hazards so as to protect public health and safety.

Surface Mining and Reclamation Act of 1975 -- The extraction of minerals in a responsible manner is essential to the continued economic well-being of the State and to the needs of society, and the thoughtful reclamation of mined lands is necessary to prevent or minimize adverse effects on the environment and to protect the public health and safety.

Under various statutes, the Board is authorized to represent the State's interests in the development, utilization, and conservation of the State's mineral resources, the reclamation of mined lands, and Federal matters pertaining to surface mining within the State.

The Surface Mining and Reclamation Act of 1975 (SMARA, Public Resources Code §2710 through §2797) provides a comprehensive surface mining and reclamation policy with the regulation of surface mining operations to assure that adverse environmental impacts are minimized and mined lands are reclaimed to a usable condition. SMARA, also, encourages the production, conservation, and protection of the State's mineral resources. (Public Resources §2207 provides for the annual reporting requirements of this statute, under which the Board also is granted authority and obligations).

B. HEARING PROCEDURES

Regulations governing the hearing procedures of the State Mining and Geology Board can be found under Articles 4, 5, 7, 11.5, 12, and 14, of Title 14, Division 2, Chapter 8, Subchapter 1, of the California Code of Regulations. These procedures can be accessed at the SMGB internet web site at: <http://www.consrv.ca.gov/smgb/>

Unless otherwise specified in the public notice for a specific item, the SMGB wishes to limit oral presentations from all parties to three (3) minutes or less per individual depending on time constraints. Interested persons should submit to the SMGB office at 801 K Street, Sacramento, California, 95814, twelve (12) written copies of all comments, technical reports, and other material concerning any matters on the Agenda at least fifteen (15) days prior to the hearing date. This written material will be provided to the SMGB along with the full agenda materials. In addition, persons submitting written comments and other materials should be present at the SMGB meeting and be available for questions.

Oral comments that are duplicative of written comments should be limited to a summary of the previously submitted written materials. The SMGB reserves the right to refuse to accept any late-submitted written materials, absent a proper showing that information is available which was not available at the time the written materials were submitted.

Testimony and comments presented at hearings need not conform to the technical rules of evidence provided that the testimony and comments are reasonably relevant to the issues before the SMGB. Testimony or comments that are not reasonably relevant, or that are repetitious, may be excluded by the SMGB. Cross-examination may be allowed by the SMGB Chair as necessary for the SMGB to evaluate credibility of factual evidence or the opinions of experts. Video taped testimony by witnesses



who are not present at the hearing will not be accepted unless such testimony was subject to cross-examination by all designated parties¹.

During the hearing, participants will be determined to be either "designated parties" or other "interested persons." Only designated parties may seek permission from the SMGB Chair to cross-examine witnesses. Interested persons may not cross-examine witnesses, but may ask the SMGB to clarify testimony. Designated parties automatically include the SMGB and any person to whom an Order is directed. All other persons wishing to testify or provide comments are interested persons.

For any hearing, the SMGB Chair will allocate time for each party to present testimony and comments and to question other parties if appropriate. Interested parties generally will be allowed three (3) minutes for their comments. Where speakers can be grouped by affiliation or interest, such groups will be asked to select a spokesperson. The SMGB Chair may allocate additional time for rebuttal or for a closing statement. Time may be limited because of the number of persons wishing to speak on an item, or the number of items on the SMGB's Agenda, or for other reasons.

All persons testifying must state their name, address, and affiliation. The order of testimony for hearings generally will be as follows, unless modified by the SMGB Chair:

- 1 Identification of the Record
- 1 Statements on behalf of the Petitioner / Appellant
- 1 Statements on behalf of the Lead Agency or the Director
- 1 Statements on behalf of the Public
- 1 Rebuttal and closing statements on behalf of the Petitioner / Appellant
- 1 Rebuttal and closing statements on behalf of the Director
- 1 Motion to Close the Public Hearing
- 1 Deliberation and voting by the SMGB, including SMGB examination of parties.

Closing statements shall be for the purpose of summarization and rebuttal, and are not to be used to introduce new evidence or testimony, or to restate direct testimony. After considering evidence, testimony, and comments, the SMGB may choose to adopt, modify, or deny an order regarding a proposed agenda item. All SMGB files, exhibits, and Agenda material pertaining to the items on the Agenda are made a part of the record. Persons wishing to introduce item exhibits (i.e. maps, charts, photographs) must leave them with the SMGB Secretary and must provide sufficient copies for distribution to the SMGB, designated parties, and interested persons.

C. HEARING RECORD

Material presented to the SMGB as part of testimony that is to be made part of the record must be left with the SMGB. This includes photographs, slides, charts, diagrams, written testimony, etc. All SMGB files pertaining to the items on this Agenda are hereby made a part of the record submitted to the SMGB by its staff for consideration prior to action on related items.

D. PROCEDURAL INFORMATION

A Closed Session may be called by the Chair to discuss litigation and other privileged attorney-client communications by authority of Government Code §11126(e)(1) and Sacramento Newspaper Guild v. Sacramento County board of Supervisors [1968] 266(b)CAL.APP.2nd.41; basis of "litigation" exception is the attorney-client privilege.

¹ This does not preclude the use of videotape to present graphic images, provided that the person who took the videotape is available for questioning and the presentation conforms to time limits imposed on all speakers; this is intended to apply to spoken testimony of witnesses who are not available for cross-examination at the hearing.



The SMGB is governed by the Bagley-Keene Open Meeting Act that requires the SMGB to (1) publish an Agenda at least ten days in advance of any meeting; (2) describe in the Agenda specific items to be transacted or discussed; and, (3) refuse to add an item after the Agenda is published.

A quorum of the members of the SMGB may recess for lunch; however, no business will be discussed except to the extent of Closed Sessions as announced at the meeting.

Agenda items are subject to postponement. Interested and affected persons may contact the SMGB office in advance of the meeting day for information on the status of any Agenda item.

Speaker Cards: All persons desiring to address the SMGB are required to fill out a speaker card. Cards normally are provided near the entrance to the meeting room. Please fill out a separate card for each item on which you intent to speak, and present it to the SMGB Secretary prior to the item being heard by the SMGB.

E. AVAILABILITY OF EXECUTIVE OFFICER'S REPORT AND AGENDA MATERIAL

Persons are invited to visit the SMGB web site at <http://www.consrv.ca.gov/smgb> to view the Executive Officer's Report and other Agenda material and reports generated by the SMGB. These documents will be available for viewing approximately one week prior to the scheduled SMGB meeting. A copy can, also, be obtained by contacting the SMGB office. A public copy of SMGB documents is available at all meetings. Non-SMGB generated documents and materials are available for viewing at the SMGB office during public business hours (9:00 A. M. to 4:00 P. M.) Monday through Friday (except holidays).

F. PRESENTATION EQUIPMENT

Providing and operating projectors and other presentation aids are the responsibilities of the speakers. Some equipment may be available at the SMGB meeting; however, the type of equipment available will vary depending on the meeting location. Owing to software and hardware compatibility issues, provision and operation of laptop computers and projectors for presentations generally will be the responsibility of the individual speakers. To ascertain the availability of presentation equipment, please contact the SMGB office at least five (5) working days prior to the meeting.

G. ACCESSIBILITY

SMGB meetings are open to the public and are held in barrier free facilities in accordance with the Americans with Disabilities Act. For additional information or assistance, contact the SMGB office.

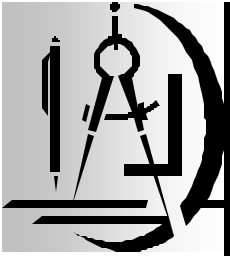
H. PAGERS AND CELL PHONES

For the listening comfort of others attending these meetings, audible alarms in pagers, cell phones, or other electronic devices during Board and Committee meetings must be turned off. You may be asked to leave the meeting if your device produces an audible signal during the meeting.

I. PROFESSIONAL REPORTS AND DOCUMENTS

Professional reports, documents, calculations, plans, specifications, maps, cross sections, boring or trench logs, and diagrams, hereafter collectively referred to as documents, which must, under applicable law, regulation, or code, be prepared by or under the supervision of licensed professionals will not be accepted or considered by the State Mining and Geology Board unless at least one copy of the document bears an original signature, stamp impression or seal, and date affixed by the author in accordance with applicable law and regulation. Unless otherwise directed or agreed in advance, all professionally prepared documents included in Board, or Board committee, meeting packages or presented to the Board in a meeting are to be in final form and must be signed, stamped or sealed, and dated in accordance with applicable law and regulation.





STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: March 10, 2005

Item 3 -- Acceptance of the Annual Fee Schedule for Mines Subject to the Surface Mining and Reclamation Act (SMARA; Public Resources Code Section 2710 et seq.) Pursuant to Public Resources Code §2207.

BACKGROUND -- Public Resources Code (PRC) §2207(d) requires the State Mining and Geology Board (SMGB) to impose by regulation an annual reporting fee on each active and idle surface mining operation. Active and idle surface mining operations are defined in PRC §§2207(f), 2714, 2727.1, 2735, and Title 14 California Code of Regulations (CCR) §3501, and include operations conducted by public agencies. PRC §2207(d) also states the annual fee imposed shall not be less than \$100 or more than \$4,000 for each operation.

PRC §2207(d)(2)(A) requires a reporting fee schedule to be established on an equitable basis reflecting the size and type of the operation. The SMGB must consider: total assessed value of the operation, total acreage disturbed, and acreage subject to the reclamation plan. The SMGB is not restricted from considering other issues such as mineral production.

PRC §2207(d)(3) outlines the amount of revenue to be generated by the fee schedule. The fee schedule must provide for the collection of the amount specified in the Governor's Budget for the Department of Conservation's (Department) costs in implementing PRC §2207 and SMARA. The total revenue generated by the reporting fees shall not exceed, and may be less than \$3,500,000. This amount shall be adjusted for the cost of living beginning with the 2005-2006 Fiscal Year (FY) and annually thereafter. Further, if the Director of the Department determines that the revenue collected in the preceding FY was greater or less than the cost to implement SMARA and PRC §2207, the SMGB shall adjust the fees to compensate for the over or under-collection of revenues.

PRC §2207(d)(4) requires the reporting fees to be deposited in the Mine Reclamation Account to be used to carry out the provisions of SMARA and PRC §2207. In addition, this subdivision provides for additional reporting fees on gold and silver production which are to be collected by the SMGB and deposited into a special Abandoned Mine Reclamation and Minerals Fund Subaccount. Moneys in this Subaccount may only be used to implement SMARA § 2796.5 and § 2797.



Executive Officer's Report

PRC §2207(d)(5) authorizes the assessment of a penalty on surface mining operations for late payment of annual reporting fees. It also requires new mining operations to submit an annual reporting fee according to the fee schedule adopted by the SMGB.

DISCUSSION: The attached **Calculation Sheet** demonstrates how the calculations are made pursuant to 14CCR §3698. Also attached are the **2004 Annual Mine Reporting Fee Calculated Tables** showing the 2004 fees. These tables were generated using the formulae contained in the regulation, based on the Requested Revenue Amount and Adjusted Total Amount supplied by the Department of Conservation. The Adjusted Amounts are reflective of the number of mines actually reporting and those estimated to report in each of the listed categories.

The Requested Revenue Amount from the Department of Conservation for Calendar Reporting Year 2004 is \$2,855,000; this amount represents an increase of \$225,000 over the amount collected for Calendar Reporting Year 2003. Estimating the funds to be collected in Calendar Year 2004 from set fees described in 14CCR §3698 and §3699 to be \$1,541,616, the amount of fees remaining to be collected for the 2004 Calendar Reporting Year is \$1,313,384 [AT_{RY}]. These figures include a Cost of Living Adjustment (COLA) of 2.31 percent as taken from the California Consumer Price Index for 2004.

The result is that there will be an increase in fees in the mine categories listed in 14CCR §3698 for the 2004 Calendar Year.

Following is a comparison of the values described in CCR §3698 that affect the Adjusted Total (AT):

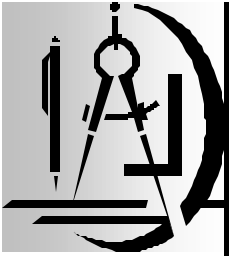
Actual Calendar Year 2003			Projected Calendar Year 2004		
Type	No. of Mines	Fees Paid	Est. No. Mines	Est. Amt. Collected	Sub-Section
Low Gross	39	\$ 15,600	40	\$ 16,370	(§3699)
Multi-site	18	\$ 72,000	20	\$ 81,848	(a)
Reclaim	121	\$ 12,100	115	\$ 11,766	(b)
At "Cap"	342	\$1,368,000	345	\$1,411,886	(c)
Initial Rpts.	15	\$ 15,000	15	\$ 15,347	(d)
New Mines	49	\$ 4,900	43	\$ 4,399	(e)
TOTAL	584	\$1,487,600	578	\$1,541,616	

Therefore: AT_{PY(2003)} = \$2,630,000 - \$1,487,600 = \$1,142,400

Therefore: AT_{RY(2004)} = \$2,855,000 - \$1,541,616 = \$1,313,384

CPI = 2.3106%





STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: March 10, 2005

Item 6 -- Pursuant to Public Resources Code Section 2696(b) and Title 14, California Code of Regulations Section 3723(a), a hearing will be conducted to receive comments and recommendations regarding the Preliminary Seismic Hazard Maps specific to the areas encompassed in the Yorba Linda Quadrangle (Los Angeles County, Orange County, San Bernardino County), the Castle Rock Ridge Quadrangle (Santa Clara County only), and the Mindego Hill Quadrangle (Santa Clara and San Mateo counties).

The Board will receive comments from those wishing to make presentations regarding the specific Preliminary Seismic Hazard Maps under discussion. Comments received will be transmitted to the State Geologist for consideration prior to the publication of the final Seismic Hazard Maps.



Executive Officer's Report